



OFFICE OF
THE CHAIRMAN

EX PARTE OR LATE FILED

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

January 3, 1995

MM 92-266/93-215
DOCKET FILE COPY ORIGINAL

RECEIVED

JAN 17 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

The Honorable Corrine Brown
U.S. House of Representatives
1037 Longworth House Office Building
Washington, D.C. 20515

Dear Congresswoman Brown:

Thank you for your letter expressing your concern regarding the development of the Federal Communications Commission's cable rate regulation policy. Specifically, you express concern that the views of cable franchising authorities have not been included in discussions about the Commission's proposed policy changes. I appreciate the opportunity to respond.

On November 18, 1994, the Commission released its *Sixth Order on Reconsideration, Fifth Report and Order, and Seventh Notice of Proposed Rulemaking* (the "Going Forward Order"), MM Docket Nos. 92-266 and 93-215, FCC 94-286, adopting regulations for the cable television industry that provide cable operators with additional incentives to expand their services and facilities in a way that both ensures that cable rates are reasonable and expands the opportunities for cable programmers to reach viewers. Pursuant to the Administrative Procedure Act and the Commission's rules, all interested parties were given the opportunity to participate in the rulemaking proceeding through submission of written data, views, or arguments, as well as an opportunity to present the same orally.

During the drafting of the Going Forward Order, your concerns, as well as those of your constituents, were included in the record considered by the Commission. You may be interested to know that the National Association of Telecommunications Officers and Advisors (NATOA) also presented arguments in this proceeding regarding the effect of the proposed going forward rules on local franchising authorities on behalf of the many local franchising authorities within its membership. The Commission also specifically considered written comments filed by the City of St. Louis, Missouri, which raised similar issues. In addition, senior staff members of the Cable Services Bureau participated in regular telephone conferences with NATOA officials. We believe that the views of the local franchising authorities were thoroughly considered.

We believe the new rules established by the Going Forward Order create a balanced set of initiatives that allow cable operators needed incentives to add new cable programming that, in turn, will benefit subscribers. We have attempted to address your concerns and those of other local authorities in the Going Forward Order. Among other things, we made the new channel addition rules generally applicable only to the cable programming services tier

("CPST") and unregulated services. The major exception is that the new rules will affect rates on the basic service tier when an operator offers only one tier of service. Since the new channel addition rules in most instances relate only to CPSTs, subscribers will still have the option of a low rate basic service tier. Furthermore, by limiting the new channel addition rules to CPSTs in most instances, franchising authorities should not be inconvenienced by our new regulations because the responsibility of regulating CPST rates lies with the Commission rather than with local authorities. Enclosed is a News Release that summarizes the Going Forward Order, as well as the Executive Summary from that Order. Please let me know if you would like a copy of the text of the decision.

I trust that this response will prove both informative and helpful.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Reed E. Hundt', with a large, sweeping flourish extending to the right.

Reed E. Hundt
Chairman

Enclosures

COMMITTEES:

PUBLIC WORKS AND TRANSPORTATION
Aviation
Economic Development
Water Resources and Environment

VETERANS' AFFAIRS
Hospitals and Health Care

GOVERNMENT OPERATIONS
Legislation and National Security

MEMBERSHIPS:

Congressional Black Caucus
Caucus on Women's Issues
Congressional Sunbelt Caucus
Congressional Space Caucus
Congressional Fire Services Caucus

**Congress of the United States
House of Representatives
Washington, DC 20515**

CORRINE BROWN

3D DISTRICT, FLORIDA

November 2, 1994

APP. TO

WASHINGTON OFFICE:
□ 1037 Longworth Building
Washington, DC 20515
(202) 225-0123
FAX (202) 225-2256

DISTRICT OFFICES:
□ 815 South Main Street
IBM Building, Suite 275
Jacksonville, FL 32207
(904) 398-8567
FAX (904) 398-8812

□ 75 Ivanhoe Boulevard
Chamber of Commerce
Orlando, FL 32804
(407) 872-0656
FAX (407) 872-5763

□ 401 SE First Avenue
Room 316
Gainesville, FL 32601
(904) 375-6003
FAX (904) 375-6008

□ 250 North Beach Street
Room 80-1
Daytona Beach, FL 32114
(904) 254-4622
FAX (904) 254-4659

Mr. Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20551

Dear Chairman Hundt:

I understand that the Federal Communications Commission (FCC) is developing a new policy with regard to cable rate regulation rules. While I have made no final decision about the proposed policy, I have received disturbing reports from local and county governments that franchising authorities are not being included in the FCC's current discussions about the proposed policy changes.

As you know under the 1992 Cable Act, local government is responsible for setting the rates for basic cable service, equipment, and for service calls. According to press reports and presentations at a recent national municipal meeting, you have met twenty times with cable operators, but only once with municipalities.

The Cable Act made franchising authorities equal partners with the FCC in regulating rates. Franchising authorities, in other words, local and county governments, are very concerned that any changes from the FCC will be so burdensome that many communities will stop regulating rates or will have loopholes. The FCC needs to have their input to prevent problems such as these from occurring, but so far this has not happened.

I urge you to meet with franchising authorities before implementing significant changes to cable rate regulation rules that could have such a major impact on consumers.

Thank you for your attention to this matter.

With kindest regards, I am

Sincerely,

Corrine Brown

Corrine Brown
Member of Congress

CB:jr